

smaller pay increases and larger workloads. State operating budgets have taken cuts of 2 percent, 1.5 percent...2 percent, 1 percent and 1.5 percent over the past two years, and I am proposing no increase for the next two years. In order to balance the budget, local governments will be faced with the same difficult task, spending less and becoming more efficient. And I am proposing the following state aid cuts--a 1 percent reduction in aid to natural resources districts; restoration of the MRF cuts made in the special session, offset by an equal and permanent reduction in aid to municipalities, plus an additional 1 percent reduction; no direct cut in state aid to counties on the condition that increased fees be used to continue implementation of the County Automation Project through the Department of Motor Vehicles and for automation at the State Patrol; no direct cut in state aid to education, offset by including teacher salary enhancements as a part of LB 1059. This is unpleasant medicine, but it's part of the prescription for a balanced budget. The choices are difficult, but they're necessary to plug the gap without a sales or income tax increase. The challenge is formidable, but Nebraskans expect us to get the job done, and together we will. These are times that call for unprecedented leadership, leadership that stands shoulder-to-shoulder to build our economy, leadership that works together to solve problems like Medicaid, leadership with the courage to make tough choices on the budget, leadership that makes things happen. It's a privilege for me to join you as part of Nebraska's leadership. Thank you very much. (Applause.)

PRESIDENT MOUL: (Microphone not activated.) ...please, I would recognize Speaker Baack.

SPEAKER BAACK: Yes, Madam President and colleagues, I would propose that we simply stand at ease until eleven o'clock, and then we'll take up with the adoption of the permanent rules and also with bill introduction. So, we'll stand at ease until eleven o'clock.

PRESIDENT MOUL: Thank you, Speaker Baack. We are at ease.

EASE

PRESIDENT MOUL: Mr. Clerk, for announcements.

CLERK: Madam President, new bills. (Read LB 314-344 by title